

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2739

COVID-19 Economic Recovery – LEAP Funding Proposals

Executive Summary:

This Mayoral Decision form seeks approval for a series of LEAP-funded interventions to support London's economic recovery from the COVID-19 pandemic. The proposals form part of a wider programme of activity being led by the London Recovery Board and funded through GLA budgets, including a dedicated £5.4 million Economic Recovery Fund.

Decision:

That the Mayor:

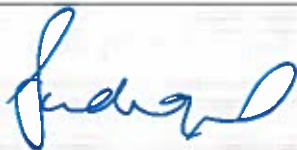
1. Approves expenditure of £5.5 million of unallocated funding obtained through the London Economic Action Partnership's Growing Places Fund (GPF) returns to support London's economic recovery programme; and
2. Delegates to the Executive Director Good Growth to approve the detailed proposals for expenditure of £1.825 million of this funding (as set out at paragraph 1.2) without the need for a further Decision Form.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

18/1/21

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1 Introduction and background

- 1.1 At its meeting in September 2020, the LEAP Board indicated support for the use of unallocated funding obtained through Growing Places Fund (GPF) returns to support London's economic recovery programme. The Growing Places Fund was established in 2012 using unconditional grant funding from HM Government awarded to the GLA on behalf of London's Local Enterprise Partnership (now known as LEAP). The GPF was established as a revolving fund, with investments returned through a variety of repayment mechanisms including loans and equity investments.
- 1.2 Total returns of up to c.£17.5 million, subject to loan repayments, are likely to be available at the end of the current financial year and this proposal seeks to allocate £5.5m of this income to support London's economic recovery. These proposals were endorsed by the LEAP Board on 10 December 2020. £1.825m of this funding still requires full business case consideration by LEAP and therefore it is proposed that approving this element of the funding package be delegated to the Executive Director for Good Growth following LEAP consideration of the full business case proposals. It is proposed that delegation be progressed without the need for a further Decision Form due to the urgent need to deploy these funds to support London's economic recovery. This includes the following projects:
- £325,000 to explore new models of affordable and flexible workspace for London's entrepreneurs and enterprises (part of Programme 1 below);
 - £500,000 for London Economic Recovery Programme support (£500,000 Programme 4 detailed below); and
 - £1,000,000 for Support for London's Central Activities Zone (Programme 5 detailed below).

2 Objectives and expected outcomes

- 2.1 The proposed funding of £5.5m will deliver five distinct programmes of activity to support London's economic recovery. Each programme is detailed below:

Programme 1 - Supporting Enterprise through to Recovery (£1.5 million total revenue funding)

- 2.2 The following initiatives, which cut across multiple economic recovery missions, are proposed in order to support London's entrepreneurs, microbusinesses, small and medium enterprises and social enterprises as they head towards recovery. They focus on areas where Government support has missed some groups (e.g. freelancers), growth opportunities where London has particular strengths (e.g. advanced diagnostics), supporting the physical changes to London's working environments post-COVID (e.g. new models of workspace) and responding to the increased demand for business support and responding to emerging business challenges post EU Exit. These proposals are strongly aligned with the objectives of the Supporting Business, Jobs and Growth recovery foundation.
- Amplify the voice of the self-employed in London's recovery through the creation of a Freelancers Task Force focusing on the creative and cultural industries. The proposal would fund a cohort of 50 creative freelancers from across the capital (including artists, producers, curators, designers) through bursaries match funded by 50 organisations to work on informing the next phase of exiting from lockdown (£225,000).
 - Further increase capacity to connect entrepreneurs and enterprises with the support they need and provide additional specialist adviser support as part of the London Business Hub. This activity will be delivered flexibly to supplement existing capacity and planned support and engagement focused on wider business resilience (£300,000).
 - Connect London's diagnostics SMEs with academic research groups, large companies, medical research charities and/or health service partners. To be achieved by providing grant funding to

SMEs to support facilitated collaborative projects and tapping into the expertise and capabilities of a university/large company/medical research charity partner (£650,000).

- Explore new models of affordable and flexible workspace for London's entrepreneurs and enterprises. This will follow on from research underway to identify viable models for repurposing under-utilised/vacant space into space that meets the needs of London's new ways of working. Additional work will also be explored to develop ways in which spaces with free and reliable Wi-Fi access can be mapped and shared to support more flexible working (£325,000).

2.3 A delegation is requested to allow the Executive Director Good Growth to agree the detailed proposals for the workspace initiative following LEAP Programme Board endorsement. This will allow for swift deployment of the agreed interventions, which will play a critical role helping develop future models of workspace provision.

Programme 2 - High Streets Challenge Fund (£2 million of which £1.5 million is revenue, £0.5 million is capital)

2.4 The objectives of the High Streets Challenge Fund are to:

- develop the capacity of local authorities and town centre partnerships to work with community groups and the private sector to plan for, safeguard and directly deliver a diverse, resilient and thriving mix of high street and town centre activity within easy reach of all Londoners, at all times of day;
- foster a culture of ideas, collaboration and invention to bring vacant and underused buildings into productive use, including between 6pm and 6am; promoting local employment and near home working, protecting existing community and cultural spaces and introducing new types of businesses and civic organisations;
- capitalise on TfL / Borough Street Space programmes to promote walking, cycling and wider accessibility, enhanced public spaces, parks/urban greening and cultural engagement at all times of day; and
- pilot high street Innovation Zones building on the Night Time Enterprise Zones pilot and existing Creative Enterprise Zones and related planning, licensing, property management (catalyse private landlord inventiveness & collaboration) and economic development approaches (including discretionary rate relief).

2.5 A High Streets for All 'Challenge' process will be used to allocate the £2m funding for which approval is being sought here. The wider High Streets for All mission incorporates other funding sources (including the High Street Accelerator Fund approved under MD2692) and aligns with other missions meaning that some High Streets for All projects may emerge from other aligned funding (for example New Green Deal or through Programme 1 - Supporting Enterprise through to Recovery workspace funding set out in this MD).

2.6 The Challenge will be delivered in partnership with borough led or endorsed partnerships following a call for an exemplar project in every borough. This call will bring forward a range of innovative high street strategies and projects. Its focus is on partnership formation, bringing together local authorities, community and business groups, cultural and third sector organisations, anchor institutions and the property sector.

2.7 The GLA will work with London Councils and an innovation partner (e.g. Nesta) and others as part of the Mission Team to identify the most exemplary proposals and draw these together as a supported programme across London.

2.8 We will establish a clear framework as part of the process to select exemplar projects for the Challenge. Respondents will be asked to demonstrate:

- borough led or endorsed (innovative) partnerships that include community representation, anchor institutions, universities and businesses;
- a specific place-based challenge / proposition;

- an asset that can unlock the challenge and act as an anchor for the wider strategy – an underused building / space / infrastructure; and
- a demonstration of need / COVID-19 / EDI impact (using the civic strength index).

2.9 Additional information requirements and commitments for funded projects could include:

- way of using data;
- outputs/deliverables;
- match funding / wider leverage;
- community engagement processes;
- social value / Equality, Diversity & Inclusion (EDI) and Race Equality Action Plan;
- responsible procurement process; and
- self-evaluation as part of programme evaluation.

2.10 Revenue funding between £50k and £100k for each selected exemplar project will provide capacity for local partnership formation as a high street scale 'coalition of transformation', meaningful community engagement, and preparation of plans that are live, dynamic, experimental and reflect locally determined priorities. A limited amount of capital funding will be applied to deliver 'proof of concept' activities for a selected number of projects.

Programme 3 - Designing London's Recovery (£500,000 revenue funding)

2.11 The London Recovery Board endorsed a mission-based approach to delivering the priorities of London's recovery programme. To support successful delivery, it is proposed to use LEAP funding to support design-led approaches, promoting collaboration across London and helping solve some of the pressing, and often long standing, social and economic problems at the heart of the recovery missions. The programme will provide expert co-design and prototyping support, designing solutions around the needs of Londoners, enabling the programme to demonstrate tangible progress towards the recovery programme's objectives.

2.12 The programme will work across two to three recovery programme priority areas and:

- work with stakeholders to identify London's recovery challenges;
- launch open calls for new ideas and approaches;
- provide design expertise to support the co-design of solutions, adopting user and community centred approaches and system thinking tools;
- pilot a new way of working that will enable meaningful progress towards our recovery objectives; and
- provide grant funding to prototype, test and iterate the most promising ideas across London.

2.13 This would be a partnership programme designed and delivered with London boroughs, London Councils (through the London Office for Technology and Innovation) and the GLA in partnership with the Design Council, with the aim of bringing cutting edge design thinking and delivery expertise to bear in supporting recovery. This type of collaborative problem solving is a key element of the missions-based approach to recovery.

2.14 Measures of success could include:

- new products or services that enable tangible progress towards London's Recovery missions – such as a new data sharing tool which creates a town centre energy consumption tracker to provide insights on demand peaks and when and where to direct investment in green technologies (illustrative example only) – that has been designed, tested and iterated with the stakeholders who will use and embed the innovation into the wider system; and

- a new way of working – such as how different parts of the third sector could coordinate to better engage London’s diverse communities, or how businesses could collaborate with skills providers for supply to meet future demand - influencing the design of policy and delivery, transforming how we approach policy problems and how we work with partners across the system to design new solutions.

2.15 Key outputs will include: outreach to engage less typical partners and voices less heard in helping to understand the problems and shape potential solutions; mentorship and co-design support hours, and expert facilitation to support cross sectoral collaboration; number of prototypes co-developed and tested; solutions that better meet user need; and innovation and learning across the wider system.

Programme 4 - London Economic Recovery Programme support (£500,000 revenue funding)

2.16 The London Recovery Board’s Economic Recovery programme aims to drive economic recovery through a set of missions which aim to address London’s pressing economic challenges. This requires a flexible approach to building capacity and expertise that can support engagement, co-design and co-delivery across a wide range of stakeholders and partners.

2.17 It is proposed that up to £500,000 of LEAP funds be made available, in principle, to support the establishment of a multi-disciplinary recovery project team that works with and between the GLA, London Councils, local authorities and London’s sub regional partnerships. This resource would allow the implementation of the economic recovery missions and projects at a place-based scale, as well as support co-design, collaboration and knowledge-sharing across sub-regions and London as a whole. The resourcing proposal is premised on the matching of funds by local authorities. Subject to this being agreed and a more detailed resourcing plan being developed, the LEAP funding contribution would be subsequently brought to LEAP Programme Board for endorsement.

2.18 The Programme will aim to address the following challenges:

- limited resource: each Borough may be unable to afford to appoint or commission their own specific in-house capacity.
- comparative knowledge-sharing: how can boroughs share and compare experiences that go beyond (geo-political-spatial) borough boundaries and towards more nuanced (socio-economic-spatial) boundaries?
- coordinating responses: how can boroughs work collectively to ensure a joined-up London-wide response.

2.19 A delegation is requested to allow the Executive Director Good Growth to agree the proposals following Investment Committee endorsement without the need for a further Decision Form. This will allow for swift deployment of the agreed interventions, which will play a critical supporting borough and GLA capacity during London’s recovery.

Programme 5 - Support for London’s Central Activities Zone (£1 million revenue funding)

2.20 A support package to help create the context for a successful reopening of the Central Activities Zone (CAZ) in 2021, which has been identified as a critical early priority for London’s economic recovery, is proposed as part of this package. However, because of the ongoing second wave of COVID-19 and its impact on central London’s ability to trade effectively, this package of support will be further developed and brought back for consideration in early 2021.

2.21 Full proposals will be brought back to the LEAP Investment Committee and a delegation is requested to allow the Executive Director Good Growth to agree the proposals following Investment Committee endorsement without the need for a further Decision Form. This will allow for swift deployment of the agreed interventions, which will play a critical role helping secure the future of the CAZ.

3 Equality comments

3.1 Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have due regard of the need to eliminate unlawful discrimination, harassment and victimisation as well as

to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.

- 3.2 There is significant evidence that the COVID-19 pandemic has disproportionately affected London's minority communities, both in terms of health and economic impact. These proposals seek to actively address these disparities through targeted interventions that engage with London's harder to reach communities and target support at under-represented groups. This builds upon a programme of support and engagement with a diverse range of entrepreneurs and business-owners, primarily on BAME, women and disabled people, who face particular challenges in setting up and running a business.
- 3.3 Research by the Resolution Foundation in October 2020 found that among the self-employed, the young and those with fewer formal qualifications have faced a greater and longer lasting disadvantage from COVID-19. The report also finds that freelancers and the self-employed are particularly hard hit by the crisis, with more than half of self-employed workers receiving lower earnings than before the crisis, compared to just four per cent of employees. The report also finds that individuals working for smaller employers have been more affected by the crisis.

4 Other considerations

- 4.1 Total funding of up to c.£17.5 million, subject to loan repayments, is likely to be available from GPF returns at the end of the current financial year. £2 million has already been committed to the Pay it Forward Programme and the Resilience Fund, leaving £15.5 million available for allocation. There is projected to be a further £6 million available in future years. This decision form does not seek endorsement to allocate the full amount on the basis that:
- the GLA is facing significant staffing resource constraints to support delivery and the proposals outlined represent the most viable level of delivery with existing capacity; and
 - until the full impacts of the second wave are fully understood, it is considered prudent to reserve some funding to support further activity in 2020/21.
- 4.2 It should be noted that any further allocations would need to be for capital projects, as the GLA has exhausted any capacity to undertake revenue swaps but many of the proposals set out in this paper could support the development of viable capital projects.
- 4.3 The risks associated with London's economic recovery from COVID-19 are multiple, complex and not fully evident at this stage. These proposals do however go some way in minimising these risks by providing direct interventions to support businesses and local economies. The proposals also seize the opportunity to use London's strengths to help resolve the wider health implications of COVID-19 through the proposed London Diagnostics Collaboration.

Link to Mayoral strategies and priorities

- 4.4 The funding outlined in this report will be used to deliver the mission-based approach that the Mayor has adopted to support London's economic and social recovery. Whilst some of the initiatives support all nine missions, others focus on key economic missions and foundations, including the 'High Streets for All' mission and the 'Supporting Business, Jobs & Growth' economic foundation.
- 4.5 The proposed expenditure will deliver against multiple objectives included in the Mayor's Economic Development Strategy, including those concerning enterprise and entrepreneurship, the stimulation of affordable, flexible workspace, and support for the creative, culture, tourism and life sciences sectors,

Consultations and impact assessments

- 4.6 The LEAP Board have endorsed the proposals outlined, in line with the HM Government mandated Assurance Framework for LEPs. Wider consultation on the GLA's approach to economic recovery has taken place and the overall approach has been developed and agreed in partnership with London Councils.

Conflicts of interest

4.7 There are no relevant interests held by officers responsible for drafting or clearing this report.

5 Financial comments

5.1 Approval is sought for the expenditure of £5.5m of unallocated GPF funding towards London's economic recovery programme as detailed in section 2. Delegation of approval to the Executive Director of Good Growth for the detailed programmes up to the value of £1.825m is also being sought. The repayments (already received) from previously funded GPF projects will be the source for the proposals. However, this is a capital resource and will necessitate the GLA to use its flexibilities to utilise this for revenue expenditure via the capital reserve programme. It is only possible at present to commit to a maximum of £5 million as revenue expenditure out of the £5.5 million total expenditure in the recommendation. No commitment can be given at this stage for additional capital-revenue flexibility as part of any future scaled up proposals.

5.2 The table below shows the indicative profile allocation of expenditure between revenue and capital for each programme:

Project	2020/21 REV	2020/21 CAP	2021/22 REV	2021/22 CAP	2022/23 REV	2022/23 REV	TOTAL REV	TOTAL CAP
Designing London's Recovery	£ 23,600	-	£ 320,000	-	£ 156,400	-	£ 500,000	-
London Business Hub	-	-	£ 300,000	-	-	-	£ 300,000	-
Freelancers Task Force	£ 202,500	-	£ 22,500	-	-	-	£ 225,000	-
London Diagnostics Collaborative (working title)	£ 185,000	-	£ 465,000	-	-	-	£ 650,000	-
Workspace pilot	-	-	£ 325,000	-	-	-	£ 325,000	-
High Streets Challenge Fund	-	-	£ 650,000	£ 250,000	£ 850,000	£ 250,000	£ 1,500,000	£ 500,000
London Economic Recovery Programme support	-	-	£ 500,000	-	-	-	£ 500,000	-
Support for London's Central Activities Zone	-	-	£ 1,000,000	-	-	-	£ 1,000,000	-
TOTAL	£ 411,100	£ -	£ 2,582,500	£ 250,000	£ 1,006,400	£ 250,000	£ 5,000,000	£ 500,000

6 Legal comments

6.1 The foregoing sections of this report indicate that:

6.1.1 the decisions requested of the Mayor concern the exercise of the GLA's general powers, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation in Greater London; and

6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- consult with appropriate bodies.

6.2 In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

6.3 The Mayor may, under section 38 of the Greater London Act 1999, delegate the exercise of the GLA'S functions to the Executive Director as proposed, should he wish to do so.

6.4 Should the Mayor be minded to make the decisions sought officers should ensure:

- to the extent that the expenditure proposed concerns the award of grant funding, that it is distributed fairly, transparently, in accordance with the GLA's equalities, in manner which affords value for money in accordance with the Contracts and Funding Code and the GLA and recipients enter into and execute legally binding funding agreements before any commitment is made to the provision of the same;
- to the extent that the expenditure proposed concerns the purchase of services and supplies that those services and supplies are procured by TfL Commercial and in accordance with the GLA's Contracts and Funding Code and the GLA and service providers/suppliers enter into an execute contracts for the provision of the same before the commencement of such services and supplies;
- to the extent that the GLA is reliant upon any third party funding, that legally binding commitments are secured from such funders before any such reliance is placed upon the same; and
- that the terms of agreements entered into in relation to the decisions sought do not have the effect of fettering the discretion of any successor administration, considering in particular the London elections taking place in May 2021 and accordingly the GLA must retain the right to terminate for convenience and funding milestones should be structured so as to mitigate risks of abortive costs being incurred.

7 Planned delivery approach and next steps

7.1 Following Mayoral approval, projects under tranche 1 of the programme will move directly into procurement and delivery. The remaining tranche 2 projects will be further developed in December/January prior to full business case submission to LEAP, followed by procurement/delivery as required.

7.2 The table below outlines the proposed spend timeline for each programme/project.

Project	2020/21	2021/22	2022/23	TOTAL
Designing London's Recovery	£23,600	320,000	£156,400	£500,000
London Business Hub	-	£300,000	-	£300,000
Freelancers Task Force	£202,500	£22,500		£225,000
London Diagnostics Collaborative (working title)	£185,000	£465,000	-	£650,000
Workspace pilot	-	£325,000	-	£325,000
High Streets Challenge Fund		£900,000	£1,100,000	£2,000,000
London Economic Recovery Programme support		£500,000	-	£500,000
Support for London's Central Activities Zone	-	£1,000,000	-	£1,000,000
TOTAL	£411,100	£3,832,500	£1,256,400	£5,500,000

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason: Several proposals outlined in this Form will be subject to imminent announcements as part of the Mayor's response to Covid-19. We would therefore seek to defer publication until mid-March when the proposals will have been announced.

Until what date: 15 March 2021

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form –NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Jamie Izzard has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Phillip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Rajesh Agrawal has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 11 January 2020.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

13/01/21

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

Date

11/01/21